

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 2882 OF 2005

Jeroo Dastur, residing at 92-B,)
1st floor, Bhiwandi House, Cumballa Hill,)
Mumbai-400 036 & 12 others)... Petitioners

versus

1. Union of India, acting through)
Asstt. Labour Commissioner-Central III,)
Shram Raksha Bhawan, Eastern Express)
Highway, Sion, Mumbai.)
2. Standard Chartered Bank,)
23-25, Mahatma Gandhi Road,)
Mumbai-400 001.)..Respondents

Mr. G.I. Sodhi for the petitioners.

Mr. A.D. Shetty with Ms. Rita Joshi for the respondents.

CORAM: SWATANTER KUMAR, C.J. &
DR. D.Y. CHANDRACHUD, J.

Judgment reserved on : October 26, 2007
Judgment delivered on: November 01, 2007

JUDGMENT (Per Swatanter Kumar, C.J.):

13 petitioners in this petition claim that they joined Standard Chartered Bank, respondent No.2, at various points of time and served for number of years. They were appointed in the capacity of Clerks and Typists. They are workmen within the meaning of Section 2 (s) of the

Industrial Disputes Act, 1947, hereinafter referred to as “the Act”. The Petitioners had various claims against the management of respondent No.2 and their claims were turned down. The allegation of the petitioners is that respondent No.2 had been intimidating its employees to resign failing which it was threatened that they would not be paid their lawful dues. Under this threat held out by respondent No.2, they were made to sign letters that bartered away the rights vested in them under the law. In order to fight for the legal rights, the petitioners submitted an application before the Regional Labour Commissioner (Central), under the provisions of the Act for conciliation. Pursuant thereto, respondent No.1 took cognizance and came to realise that there exists an industrial dispute between the parties. Notice on the demand of the petitioners was issued to respondent No.2 on 27th October, 2003. The respondents represented their case before the concerned authorities. According to the petitioners, their services had been terminated wrongfully and they showed the said authorities that they had not voluntarily resigned, as claimed by respondent No.2. The matter remained pending before respondent No.1. Vide an order dated 6th January, 2004, the petitioners were informed that no dispute existed between the parties as they had resigned voluntarily of their own accord and as such no reference could be made. This finding recorded by

respondent No.1 was contrary to its earlier view which had been taken on 27th October, 2003, when after looking into the matter the authorities had issued notice to respondent No.2 patently demonstrating that the dispute existed between the parties.

2. The order dated 6th January, 2004, by which the reference of industrial dispute on the basis of letter of demand dated 29th September, 2003 was denied to the petitioners primarily on the ground that they had resigned from the services and had accepted full and final settlement of dues from respondent No.2. The said order reads as under:-

“Government of India
Ministry of Labour,
Office of the Regional Labour Commissioner (Central)
Shramraksha Bhavan, Opp.RCF Building,
Shiv Srushti Road, Sion,
Mumbai-400 022.

No. B.ALC(C)-III/7(99)/2003 Dated: January 6, 2004.

To
Shri Jeroo J. Dastur,
92-B, 1st floor,
Bhiwandi House, Cumballa Hill,
Mumbai-400 036.

Sub: Industrial dispute raised by S/Shri Jeroo Dastur and 10 other workmen against the management of Standard Chartered Bank, Mumbai, over alleged illegal termination of

their services.

Dear Sir (s),

Please refer to your demand letter dated 29.9.2003 submitted in this office on the above subject.

After going through the records and submissions, it is evident that S/Shri Jeroo Dastur and 10 other workmen have resigned from the services and accepted the full and final settlement dues from the Standard Chartered Bank. Therefore, the instant dispute is treated as disposed off in this office.

Yours faithfully,
Sd/-
(A.L. Kamble)
Conciliation Officer and
Assistant Labour Commissioner,
(Central)-III, Mumbai.”

3. The contention raised on behalf of the petitioners is that they had submitted a demand to the Regional Labour Commissioner, with a copy to respondent No.2 which was duly received by them, wherein they had raised various controversies including the fact that the letters were got signed from the petitioners as a result of undue influence and coercion etc. and that they were entitled to reinstatement with full back wages as per the rights vested in them according to law. It was a detailed demand notice and in the light of that, the Appropriate Government had no jurisdiction to enter upon the merits of the dispute and pass the

impugned order. Such exercise of jurisdiction by the authorities was beyond the scope and limitation of Section 10 of the Act.

4. The main contention on behalf of the respondents was that there existed no industrial dispute between the parties which was capable of being referred for adjudication or determination to the Labour Court in accordance with the provisions of the Act. The Appropriate authority was competent to record full and final satisfaction of the dues and consequently could deny the reference as claimed by the petitioners.

5. In the case of *Rohtas Industries Limited vs. S.D. Agarwal*, AIR 1969 SC 707, the Supreme Court clearly stated that the purpose of the powers vested in the Appropriate Government under Section 10 (1) of the Act was to give effect to the legislative intent. The opinion arrived at by the authority on the basis of certain facts could be examined by the Court and the Courts are not precluded from examining whether the relevant facts on the basis of which the opinion is formed had in fact existed. A subtle distinction was drawn that the existence of circumstances but not the opinion was open to judicial scrutiny. It is not the adequacy or the sufficiency of the material which is open to judicial review but the very existence of it can be looked into. It is also a

settled principle of law that the Appropriate Government performs an administrative act and not judicial or quasi judicial act. Reference can be usefully made to a recent judgment of this Court dated 16th August, 2007, in the case of *Grindlays Bank Employees Union vs. Union of India and another* (Writ Petition No. 1110 of 2007), where the Court discussed the scope and ambit of the powers in the Appropriate Authority while exercising the powers under Section 10 of the Act. The Court held as under:-

4. The scope of section 10 of the Industrial Disputes Act, 1947 was the subject matter of detailed examination by a Division Bench of this Court in a very recent judgment in the case of *National Organic Chemical Industries Ltd vs. State of Maharashtra and ors.* (Writ Petition No.451 of 2007 decided on 19th April 2007), and after discussing various matters the Court held as under:

"5. Having stated the factual matrix of the case we will prefer to examine the law in relation to the ambit and scope of section 10(1) of the Act and the limitations of judicial review in relation to an order of reference referring an industrial dispute to the Labour Court. In the case of *Shri Subhash Chand vs Government of NCT and Anr*, reported in 117(2005) DLT 527, a Division Bench of the Delhi High Court had an occasion to discuss, in some elaboration, the law on the subject. The court has held as under:

“Reference to the development of law in this regard is necessitated for the reason that somewhat divergent views have been expressed by the Courts while explaining the scope and limitations of jurisdiction vested in the appropriate Government

while exercising its administrative power of making a reference under Section [10\(1\)\(c\)](#) of the Act.

6. Reference to the decision of the Constitutional Bench of the Supreme Court in the case of *State of Madras v. C.P. Sarathy*, 1953 SCR 334 can be usefully made at the very outset. It was observed:

"But, it must be remembered that in making a reference under section [10\(1\)](#) the Government is doing an administrative act and the fact that it has to form an opinion as to the factual existence of an industrial dispute as a preliminary step to the discharge of its function does not make it anytheless administrative in character. The Court cannot, therefore, canvass the order of reference closely to see if there was any material before the Government to support its conclusion, as if it was a judicial or quasi-judicial determination.

7. Explaining the ratio of the decision in *Sarathy's* case (supra), in *Western India Match Co. Ltd. v. Western India Match Co. Workers Union*, [MANU/SC/0375/1970](#) it was observed as under :

"In the *State of Madras v. C.P. Sarathy*, this Court held on construction of Section [10\(1\)](#) of the Central Act that the function of the appropriate Government thereunder is an administrative functions. It was so held presumably because the Government cannot go into the merits of the dispute its function being only to refer such a dispute for adjudication so that the industrial relations between the employer and his employees may not continue to remain disturbed and the dispute may be resolved through a judicial process as speedily as possible."

8. After referring to the earlier decisions on the subject in "*Shambhu Nath Goyal v. Bank of Baroda*, Jullundur, [MANU/SC/0283/1978](#) it was held that "in making a reference

under section [10\(1\)](#), the appropriate Government is doing an administrative act and the fact that it has to form an opinion as to the factual existence of an industrial dispute as a preliminary step to the discharge of its function does not make it any the less administrative in character." Thus, there is a considerable body of judicial opinion that while exercising power of making a reference under Section [10\(1\)](#), the appropriate Government performs an administrative act and not a judicial or quasi-judicial act."

9. The scope and scheme of Sections [10](#) and [12](#) of the Act were also examined by the Supreme Court in *State of Bombay v. K.P. Krishnan and Ors.*, [MANU/SC/0199/1960](#). It was held therein as under :

"Even if the appropriate Government may be acting under section [12\(5\)](#) by itself and independently of Section [10\(1\)](#) does not confer power on the appropriate Government to make a reference. While deciding whether a reference should be made under section [12\(5\)](#) it would be open to the appropriate Government to consider, besides the report of the Conciliation Officers other relevant facts which may come to its knowledge or which may be brought to its notice. Just as discretion conferred on the Government under section [10\(1\)](#) can be exercised by it in dealing with industrial disputes in regard to non-public utility services even when Government is acting under Section [12\(5\)](#), so too the provisions of the second proviso to Section [10\(1\)](#) can be pressed into service by the Government when it deals with an industrial dispute in regard to a public utility service under Section [12\(5\)](#)."

10. It was further held by the Supreme Court that "whether Section [12\(5\)](#) is construed as making it obligatory on the Government to make a reference when it is satisfied that there is a case for reference or as only conferring a discretion, if in refusing to make a reference Government is influenced by reasons which are wholly extraneous or

irrelevant or which are not germane, then its decision may be open to challenge in a court of law. Though considerations of expediency cannot be excluded when Government considers whether or not it should exercise its power to make a reference it would not be open to the Government to introduce and rely upon wholly irrelevant or extraneous considerations under the guise of expediency."

11. Again in *Bombay Union of Journalists and Ors. v. The State of Bombay and Anr.*, [MANU/SC/0135/1963](#), which has been relied upon by both the parties, the relevant scheme of the Act as disclosed by Section [12](#) viz.-a-viz. the powers of the appropriate Government under Section [10](#) was discussed. It was held therein as under :

"When the appropriate Government considers the question as to whether a reference should be made under section [12\(5\)](#), it has to act under section [10\(1\)](#) of the Act, and Section [10\(1\)](#) confers discretion on the appropriate Government either to refer the dispute, or not to refer it, for industrial adjudication according as it is of the opinion that it is expedient to do so or not. In other words, in dealing with an industrial dispute in respect of which a failure report has been submitted under Section [12\(4\)](#), the appropriate Government ultimately exercises its power under section [10\(1\)](#), subjects to this that Section [12\(5\)](#) imposes an obligation on it to record reasons for not making the reference, when the dispute has gone through conciliation and a failure report has been made under Section [12\(4\)](#)."

12 However, it was further held by the Supreme Court which also needs re-production and it is re-produced hereunder :

"But it would not be possible to accept the plea that the appropriate Government is precluded from considering even prima facie the merits of

the dispute when it decides the question as to whether its power to make a reference should be exercised under section [10\(1\)](#) read with Section [12\(5\)](#), or not. If the claim made is patently frivolous, or is clearly belated, the appropriate Government may refuse to make a reference. Likewise, if the impact of the claim on the general relations between the employer and the employees in the region is likely to be adverse, the appropriate Government may take that into account in deciding whether a reference should be made or not. It must, therefore, be held that a prima facie examination of the merits cannot be said to be foreign to the enquiry which the appropriate Government is entitled to make in dealing with a dispute under section [10\(1\)](#)."

13 A reference to a Supreme Court ruling in *The M.P. Irrigation Karamchari Sangh v. State of M.P. and Anr.*, [MANU/SC/0221/1985](#) is also very much relevant. In an appeal before the Supreme Court it was contended that the High Court had failed to properly delineate the jurisdiction of the Government under Section [10](#) read with Section [12\(5\)](#) of the Act. It was contended before the Supreme Court that question raised by the appellant had to be decided by the Tribunal on evidence to be adduced before it and it could not be decided by the Government on a prima facie examination of the facts of the case. This submission was met with the plea that the Government had in appropriate cases at least a limited jurisdiction to consider on a prima facie examination of the merits of the demands, whether they merited a reference or not.

14. After considering the rival contentions of the parties the Hon'ble Supreme Court observed as under :

".....But it would not be possible to accept the plea that the appropriate Government is precluded from considering even prima facie the merits of the dispute when it decides the question as to whether its power to make a

reference should be exercised under Section [10 \(1\)](#) read with Section [12\(5\)](#) or not. If the claim made is patently frivolous, or is clearly belated, the appropriate Government may refuse to make a reference. Likewise, if the impact of the claim on the general relations between the employer and the employees in the region is likely to be adverse, the appropriate Government may take that into account in deciding whether a reference should be made or not."

15. It was then held by the Supreme Court as under :

"We find that the approach made by the High Court has wrong and the reliance on the above passage on the facts of this case, is misplaced and unsupportable. This Court had made it clear in the same Judgment in the sentence preceding the passage quoted above that it was the province of the Industrial Tribunal to decide the disputed questions of fact."

".....Similarly, on disputed questions of fact, the appropriate Government cannot purport to reach final conclusions, for that again would be the province of the Industrial Tribunal....."

16. It was then finally held by the Supreme Court as under :

"While conceding a very limited jurisdiction to the State Government to examine patent frivolousness of the demands, it is to be understood as a rule, that adjudication of demands made by workmen should be left to the Tribunal to decide. Section [10](#) permits appropriate Government to determine whether dispute "exists or is apprehended" and then refer it for adjudication on merits. The "demarcated functions are (1) reference; (2) adjudication. When a reference is rejected on the specious plea that the Government cannot bear the additional burden, it constitutes

adjudication and thereby usurpation of the power of quasi-judicial Tribunal by an Administrative authority, namely, the Appropriate Government. There may be exceptional cases in which the State Government may, on a proper examination of the demand come to a conclusion that the demands are either perverse or frivolous and do not merit a reference. Government should be very slow to attempt an examination of the demand with a view to decline reference and Courts will always be vigilant whenever the government attempts to usurp the powers of the Tribunal for adjudication of valid disputes. To allow the Government to do so would be to render Sections [10](#) and [12\(5\)](#) of the Industrial Disputes Act nugatory."

17 The observations of the Supreme Court in Ram Avtar Sharma and Ors. v. State of Haryana and Anr., [MANU/SC/0228/1985](#) that making or refusing to make a reference under section [10\(1\)](#), the Government cannot dwell into the merits of the dispute also needs attention. The relevant portion of the judgment reads as under :

"Now if the Government performs an administrative act while either making or refusing to make a reference under Section [10\(1\)](#), it cannot delve into the merits of the dispute and take upon itself the determination of lis. "That would certainly be in excess of the power conferred by Section [10](#). Section [10](#) requires the appropriate Government to be satisfied that an industrial dispute exists or is apprehended. This may permit the appropriate Government to determine prima facie whether an industrial dispute exists or the claim is frivolous or bogus or put forth for extraneous and irrelevant reasons not for justice or industrial peace and harmony. Every Administrative determination must be based on grounds relevant and germane to the exercise of power. If the

administrative determination is based on grounds irrelevant, extraneous or not germane to the exercise of power it is liable to be questioned in exercise of the power of judicial review."

18 The judgment of the Supreme Court in *Workmen of Syndicate Bank, Madras v. Government of India and Anr.*, [MANU/SC/0214/1984](#), is also very much relevant for throwing light on the powers of the Government under section 10 of the Act. The relevant portion is re-produced hereunder :

"We are of the view that the ground on which the Government of India has refused to refer the dispute relating to the imposition of punishment of stoppage of three increments of Shri Murugavelu to the Industrial Tribunal is not a valid ground. It would not be right for the Government of India to refuse to make the reference on the ground that the charges of misconduct against the worker were proved during a duly constituted departmental enquiry and penalty was imposed on the worker after following the required procedure. If such a ground were permissible it would be the easiest thing for the management to avoid a reference to adjudication and to deprive the worker of the opportunity of having the dispute referred for adjudication even if the order holding the charges of misconduct proved was unreasonable or perverse or was actuated by mala fides or even if the penalty imposed on the worker was totally disproportionate to the offence said to have been proved. The management has simply to show that it has held a proper inquiry after complying with the requisite procedure and that would be enough to defeat the worker's claim for adjudication. Such a situation cannot be countenanced by law. We must, therefore, set aside the order dated 2.4.1981 passed by the Government of India declining to make a reference of the industrial dispute for adjudication to the industrial Tribunal."

19 Again the observations of the Supreme Court in *Telco Convoy Drivers Mazdoor Sangh and Anr. v. State of Bihar and Ors.*, [MANU/SC/0605/1989](#), which are relevant for the proposition under consideration are re-produced as under :

"While exercising power under Section [10\(1\)](#) the function of the appropriate Government is an administrative function and not a judicial or quasi judicial function, and that in performing this administrative function the Government cannot delve into the merits of the dispute and take upon itself the determination of the lis, which would certainly be in excess of the power conferred on it by Section [10](#). It is true that in considering the question of making a reference under section [10\(1\)](#), the Government is entitled to form an opinion as to whether an industrial dispute "exists or is apprehended" is not the same thing as to adjudicate the dispute itself on its merits."

20. Reading the above judgments of the highest Court of the land shows that provisions of Section [10](#) of the Act were construed not quite liberally. The jurisdiction of the State Government was stated to be an administrative function and not a judicial or quasi judicial function. Formation of an opinion under Section [10\(1\)](#) of the Act was relatable to whether an industrial dispute existed or is apprehended. It was not the same thing as to adjudicate the dispute itself on merits'. In other words, the appropriate Government was not competent to travel beyond the limits of forming a prima facie opinion with regard to existence of the dispute or that an industrial dispute was apprehended. The Government was not competent to directly or indirectly determine the merits of the dispute. Formation of an opinion without encroaching upon the domain of adjudication was the essence of powers vested under Section [10\(1\)](#) of the Act.

21. The Industrial Law, developed as a result of subsequent amendments to the Act as well as by judicial pronouncements by different Courts, is having far reaching effects on the various facets of this law. Section [11\(a\)](#) was incorporated in the Act by Section 3 of the Industrial Disputes Amendment Act, 1971 with effect from 15th December, 1971. The purpose of this amendment was primarily to enlarge the scope of the adjudication process before the Industrial Court or Tribunal and vest powers of wider magnitude in the

Courts. The basic intent was to prevent the unfair labour practice by the Management and to ensure that the workman was not subjected to victimisation. This Section really did not effect the power of the Government under Section [10\(1\)](#) of the Act in relation to refer or not to refer an industrial dispute to the Labour Court or Tribunal in exercise of its administrative power. One obvious conclusion of this amendment is that a workman can also claim a reference even with regard to the quantum of punishment even in a case of proven misconduct. He could raise an issue that the punishment inflicted upon him was ex-facie disproportionate to the gravity of the misconduct. The Government would have hardly any jurisdiction to decline a reference even of this kind within the purview and scope of the provisions of Section [10](#) of the Act. A Division Bench of Punjab and Haryana High Court in *Ramphal v. State of Haryana*, 1995 (4) SLR 184 took this view which was subsequently followed in various judgments including the Full Bench of that Court in the case of *Radhey Shyam v. State of Haryana*, 1997 (6) SLR 1.

22 Section [2\(a\)](#) was inserted in this Act by Amendment Act 35 of 1965 which was effective from 1.12.1965 with a clear legislative mandate to enable an individual workman to raise an industrial dispute in relation to and in the event he had been discharged, dismissed, retrenched or his services were otherwise terminated by his employer. The espousing of a cause of the workman by a Union to this particular class of cases was not mandatory. These developments would have definite impact on the scheme of this Act. Particularly, the appropriate Government is expected to be alive to the situation that the law framers have imposed an obligation upon them to consider the question of reference of an industrial dispute to the Labour Court/Industrial Tribunal effectively, meaningfully and to ensure that the unfair practices or victimisation was not permitted to prevail. The discretion of the appropriate Government under Section [10](#) is of wide magnitude but it must be exercised in consonance with the provisions of the Act as interpreted by judicial pronouncements. Limitations on exercise of such jurisdiction are inbuilt in various Sections of the Act and particularly

Section [2\(a\)](#), [11\(a\)](#) and [22](#) of the Act. The wide discretion vested in the appropriate Government has to be exercised in a manner so as to keep an equilibrium between industrial harmony without hampering the industrial progress of the country. To make a reference or to deny the same either way must be forming of an opinion based upon some kind of plausible reasoning. The power whether administrative or in furtherance to legislative provisions, cannot be exercised arbitrarily and the process of decision making is entirely based upon the reasoning and fairness. The Full Bench in the case of Radhey Shyam (Supra) while answering the question raised whether the appropriate Government is entitled to examine the merits of the case while forming an opinion in relation to existence or apprehension of an industrial dispute and its extent, answered upon discussion as under :

"After going through the statutory provisions and the various decisions of the Supreme Court as well as the High Courts, our answer to the fourth proposition is that by insertion of Section [11A](#) in the Act only the powers of the Labour Courts/Tribunals have been enlarged. Insertion of Section [11A](#) has not taken away the powers of the appropriate Government to refer or not to refer an industrial dispute to the Labour Court or the Tribunals, as the case may be, of course, subject to the limitations imposed by the law as laid down by the authoritative pronouncements of Supreme Court. Section [11](#) comes to play only after the industrial dispute is referred to the Labour Court, Tribunal or National Tribunal or the appropriate Government for adjudication.

In view of our discussion made above, no doubt is left that the observations of the Supreme Court in Bombay Union of Journalists v. State of Bombay (Supra) that the appropriate Government can consider prima facie on the merits of the dispute when it decides the question as to whether its power to make a reference should be exercised under section [10](#)

[\(1\)](#) read with Section [12\(5\)](#) are still applicable. The appropriate Government is not precluded from considering the prima facie merits of the dispute and to refuse to refer the dispute under section [10](#) read with Section [12\(5\)](#), if the claim made is patently frivolous is clearly belated even after the insertion of Section [2A](#) and [11A](#) in the Act.

After reading Sections [10](#) and [12](#) together, in our view, it is incumbent upon the Government to record and communicate to the parties concerned its reasons for refusing to make a reference. It has been provided in Section [12\(5\)](#) itself that where the appropriate Government does not make a reference, it shall record and communicate its reasons to the parties concerned. Even otherwise, for refusing to refer any dispute under section [10](#) it is necessary for the Government to give reasons for refusing to refer the industrial dispute to the Labour Court or the Tribunals on the principles of natural justice. The Government is required to pass a speaking order when refusing to refer the dispute to the Labour Court or the Tribunals as the case may be so that the party concerned may be able to know the reasons for its refusal. We, thus, answer this proposition of law, as referred to above, accordingly.

The cumulative effect of our answers to the above questions can be montaged and concisely summed up to say, that introduction of Section [2\(A\)](#) read with Section [11\(A\)](#) as it is on the statute book today, does not materially affect the existing powers of the Government to make a reference under Section [10](#) of the Industrial Disputes Act within the afore-stated well defined limitations. Thus, the scope of power exercisable by the appropriate Government falls in a very narrow compass and does not in any way permit it to encroach upon the determination of merits in

dispute. The amendment of Section [2\(A\)](#) only lifts an embargo which earlier existed on an individual workman to have his dispute referred through the competent government for adjudication to a competent forum i.e. Industrial Court or Tribunal etc. The legislative intent behind such amendment appears to be more tilted towards enlarging the scope of a referable dispute by the concerned authority rather than to put any further shakles on the existing power of the Government to make a reference of an industrial dispute under the provisions of this Act. The jurisdiction of the appropriate Government is primarily administrative in its nature and scope. It must restrict its decision with regard to a dispute being non-existence vexatious and/or frivolous. This power extends to declining reference of a dispute in the event of industrial harmony being adversely affected as understood in its larger sense. Industrial harmony cannot be restricted to a dispute of a few workmen with its management in an industry. A section of industrial units should stand effected and fall within the clutches of adversity arising out of such industrial dispute. In other words involvement of larger industrial section treated as a whole would alone result in disturbance of industrial harmony, infringe public utility and larger public interest. The expression 'industrial harmony' must not be understood in its narrow sense so as to frustrate every dispute on the ground that there is likelihood of some clash between the workman of an industry and the management.

The percept of industrial law with its liberal amendments justifies liberal reference of industrial dispute, more tilted towards recognition and acceptance of dispute of individual workman of the nature prescribed under Section [2\(A\)](#). The language of the amended provisions of Section [2A](#) read with

Section [10](#) and [11A](#) of the Industrial Disputes Act further substantiates the view taken by us. The concept of deeming dispute and reference of such a dispute to the Industrial Tribunal or Labour Court certainly enlarges the scope of referable disputes with some liberal construction.

On the analysis of the entire matter, our answer to the first question is as hereunder (however, subject to our answer to the other questions) which have been enumerated above.

(1)The appropriate Government can go into the merits of the dispute prima facie for the purpose of finding out whether an industrial dispute exists or is apprehended and whether the Government should make a reference or not.

(2)But in doing so, the appropriate Government cannot delve into the merits of the dispute and take upon itself the determination of the lis.

(3)If the claim is patently frivolous and vexatious then the appropriate Government may refuse to make the reference.

(4)In deciding whether to make a reference or not, the Government may take into consideration whether the impact of the claim on the general relations between the employer and the employees in the regions is likely to be adverse disturbing industrial harmony understood in its larger sense.

(5)While the appropriate Government can examine the patent frivolousness of the demands, it shall not itself adjudicate on the demands made by the workman, which should be left to the Labour Court/Tribunal concerned. The Government should be very slow to attempt an examination of the demand with a view to decline the reference”.

23. We may notice here that in the above cited judgment,

the Full Bench had observed that there is no limitation prescribed under the provisions of the Industrial Disputes Act and as such a workman can raise an industrial dispute at any time. However, it was indicated that a period of 5 years would be a reasonable period whereafter the workman should explain the reasons for longer delay. This particular conclusion of the Full Bench was over-ruled by the Supreme Court in the case of *Ajaib Singh v. Sri Hind Co-operative Marketing cum Processing Service Society Limited and Anr.*, [MANU/SC/0254/1999](#). The judgment of the Supreme Court would have to be examined in the light of the subsequent judgments of the Supreme Court wherein the law stated by the Supreme Court in this case was diluted and in subsequent judgments the Supreme Court clearly stated that even the appropriate Government would have its rights to decline a reference if the dispute was non-existent or was so stale that unexplained and prolonged delay would render the same as one which had extinguished and thus not referable.

24. The appropriate Government would have to apply its mind to certain basic conditions while considering the request of the persons covered under the provisions of this Act for a reference to the Labour Court or Tribunal, as the case may be, under Section [10](#) of the Act. On the facts averred in the application for a reference it must be determined that there is employer-employee relationship between the parties, the dispute exists or is apprehended between the parties and the demand in that regard has been raised within a reasonable time. These ingredients would have to be seen in the light of conciliation report submitted by the Conciliation Officer to the appropriate Government at the appropriate stage. In the case of *Shalimar Works Limited v. Their Workmen*, AIR 1959 SC 1216 the Supreme Court introduced the concept of reasonableness in invoking such jurisdiction.

"It is true that there is no limitation prescribed for reference of disputes to an Industrial Tribunal; even so it is only reasonable that disputes should be referred as soon as possible after they have arisen and after conciliation proceedings have failed, particularly so when disputes relate to

discharge of workmen wholesale, as in this case. The industry has to carry on and if for any reason there has been a wholesale discharge of workmen and closure of the industry followed by its reopening and fresh recruitment of labour, it is necessary that a dispute regarding reinstatement of a large number of workmen should be referred for adjudication within a reasonable time. We are of opinion that in this particular case the dispute was not referred for adjudication within a reasonable time as it was sent to the Industrial Tribunal more than four years after even re-employment of most of the old workmen. We have also pointed out that it was open to the workmen themselves even individually to apply under S. [33A](#) in this case; but neither that was done by the workmen nor was the matter referred for adjudication within a reasonable time.

25 The ambit and scope of powers vested in the appropriate Government under Section [10](#) of the Act has been a matter of concern, consistently and at all times. It would be useful to refer to the recent judgments of the Supreme Court in regard to the scope of, as well as effect of delay on the part of the workman in claiming a reference under these provisions.

26. It is clear that the views expressed by the Supreme Court in the case of Bombay Union of Journalist (Supra) was followed in The M.P. Irrigation Karamchari Sangh (Supra) which again was followed in Telco Convoy Drivers Mazdoor Sangh (Supra), and the principles discussed in earlier judgments were specified and it was reiterated with great emphasis that while exercising powers under Section [10\(1\)](#) of the Act the function of the Government is administrative and not judicial or quasi judicial. It has to primarily determine whether a dispute exists or is apprehended. An exception was also carved on the basis of a domain being perverse and frivolous. The Courts were expected to be very careful in examining the matter that the Government does not usurp

the powers of the Tribunal. Somewhat wider interpretation was given to this jurisdiction by the Supreme Court in the case of Rajasthan STRC and Anr. v. Krishna Kant and Ors., [MANU/SC/0786/1995](#) where the Court held as under:

" (4) It is not correct to say that the remedies provided by the Industrial Disputes Act are not equally effective for the reason that access to the forum depends upon a reference being made by the appropriate Government. The power to make a reference conferred upon the Government is to be exercised to effectuate the object of the enactment and hence not unguided. The rule is to make a reference unless, of course, the dispute raised is a totally frivolous one ex facie. The power conferred is the power to refer and not the power to decide, though it may be that the Government is entitled to examine whether the dispute is ex facie frivolous, not meriting an adjudication."

27 We have already noticed that in Ajaib Singh's case (Supra), the Supreme Court held that the Limitation Act does not apply and the view of the Full Bench, in regard to time frame under the Industrial Disputes Act was held to be not correct. It was further held that no reference to the Labour Court could generally be questioned on the ground of delay alone and a reference was held to be sustainable even after lapse of 7 years. Similar view was also taken in Gurmail Singh v. Principal, Govt. College of Education and Ors., 2000 (9) SCC 496.

28 However, subsequently this trend of the judicial pronouncements showed a somewhat divergent view. In the case of The Nedungadi Bank Limited v. K.P. Madhavankutty and Ors., 2000(1) SLR 636, the Supreme Court while dealing with the case of demand raised after a lapse of 7 years held as under:

" Law does not prescribe any time limit for the appropriate government to exercise its powers under Section [10](#) of the Act. It is not that this

power can be exercised at any point of time and to revive matters which had since been settled. Power is to be exercised reasonably and in a rational manner. There appears to us to be no rational basis on which the Central Government has exercised powers in this case after lapse of about seven years of order dismissing the respondent from service. At the time reference was made no industrial dispute existed or could be even said to have been apprehended. A dispute which is stale could not be the subject-matter of reference under Section [10](#) of the Act. As to when a dispute can be said to be stale would depend on the facts and circumstances of each case. When the matter has become final, it appears to us to be rather incongruous that the reference be made under Section [10](#) of the Act in the circumstances like the present one. In fact it could be said that there was no dispute pending at the time when the reference in question was made. The only ground advanced by the respondent was that two other employees who were dismissed from service were reinstated. Under what circumstances they were dismissed and subsequently reinstated is nowhere mentioned. Demand raised by the respondent for raising industrial dispute was ex facie bad and incompetent."

29. This view was followed with approval by the Supreme Court in the case of Assistant Executive Engineer Karnataka v. Shivalinga, [MANU/SC/1373/ 2001](#) where the Court, after considering the judgments of Ajaib Singh (Supra) and Sapan Kumar Pandit v. U.P. State Electricity Board, 2001 SCC (L&S) 946, stated that the principle could be followed in appropriate cases. In that case the services of the workman were terminated on 25th May, 1985 and he had approached the Labour Officer on 17th March, 1995. The Labour Court found the delay of 9 years fatal and rejected the reference. The High Court interfered with the order which was set aside by the Supreme Court, holding as under:

" In cases where there is serious dispute, or doubt in such relationship and records of the employer become relevant, the long delay would come in the way of maintenance of the same. In such circumstances to make them available to a Labour Court or the Industrial Tribunal to adjudicate the dispute appropriately will be impossible. A situation of that nature would render the claim to have become stale. That is exactly the situation arising in this case. In that view of the matter, we think the two decisions relied upon by the learned counsel have no application to the case on hand. Proceeding on the facts of the case we think the High Court is wrong in having interfered with the award made by the Tribunal. The order made by the High Court in the writ proceedings, therefore, shall stand set aside and the award made by the Labour Court shall stand restored. The appeal is allowed accordingly."

30. Still in an another case of S.M. Nilajkar and Ors. v. Telecom District Manager, Karnataka, [MANU/SC/0261/2003](#), though the Court granted relief to the workman, it clearly enunciated the principle that delay in making a demand could bring adverse consequences to the case of the workman. The Court held as under:

"17. It was submitted on behalf of the respondent that on account of delay in raising the dispute by the appellants the High Court was justified in denying relief to the appellants. We cannot agree. It is true, as held in Shalimar Works Ltd. v. Workmen that merely because the Industrial Disputes Act does not provide for a limitation for raising the dispute, it does not mean that the dispute can be raised at any time and without regard to the delay and reasons thereof. There is no limitation prescribed for reference of disputes to an Industrial Tribunal; even so it is only reasonable that the disputes should be referred as soon as possible after they have arisen and after conciliation proceedings have failed, particularly so when disputes relate to discharge of workmen wholesale. A delay of 4 years in raising the dispute

after even re-employment of most of the old workmen was held to be fatal in *Shalimar Works Ltd. v. Workmen*. In *Nedungadi Bank Ltd. v. K.P. Madhavankutty* a delay of 7 years was held to be fatal and disentitled the workmen to any relief. In *Ratan Chandra Sanmanta v. Union of India* it was held that a casual labourer retrenched by the employer deprives himself of remedy available in law by delay itself; lapse of time results in losing the remedy and the right as well. The delay would certainly be fatal if it has resulted in material evidence relevant to adjudication being lost and rendered not available. However, we do not think that the delay in the case at hand has been so culpable as to disentitle the appellants to any relief. Although the High Court has opined that there was a delay of 7 to 9 years in raising the dispute before the Tribunal but we find the High Court factually not correct. The employment of the appellants was terminated sometime in 1985-86 or 1986-87. Pursuant to the judgment in *Daily Rated Casual Labour v. Union of India* the Department was formulating a scheme to accommodate casual labourers and the appellants were justified in awaiting the outcome thereof. On 16-1-1990 they were refused to be accommodated in the Scheme. On 28-12-1990 they initiated the proceedings under the Industrial Disputes Act followed by the conciliation proceedings and then the dispute was referred to the Industrial Tribunal-cum-Labour Court. We do not think that the appellants deserve to be non-suited on the ground of delay."

31. We may also notice here that in *Sapan Kumar Pandit's* case (Supra), the Supreme Court had taken the view, as taken in *Ajaib Singh's* case (Supra) and held that if the dispute remains alive though not galvanised by the workman or the Union on account of other justified reasons it does not cause the dispute to veer into total eclipse. The High Court should not have quashed the reference merely on the ground of long delay for making an adjudication which could be considered by the adjudicating authorities while moulding its reliefs. Their Lordships referred to the earlier view of the

Supreme Court in Western India Match Company Ltd. v. Worker Union, [MANU/SC/0375/1970](#).

32. It appears to be a settled principle of law that while the appropriate Government is exercising its power to make a reference under Section [10\(1\)](#) of the Act, such power is wide but has definite limitations in terms of the prescribed law. The Government would form an opinion as to relationship, and whether a dispute exists or is apprehended. This exercise of power is purely administrative in nature and must clearly be understood with definite distinction from a judicial or a quasi judicial power. Government cannot abrogate on to itself the power to adjudicate any question. The formation of opinion has to be prima facie based upon records before the Authority as well as the report submitted by the Conciliation Officer under Section [12](#) of the Act. An element of expeditious disposal and determination of industrial dispute is contemplated under various provisions of the Act and even in a case under Section [12\(6\)](#) of the Act where the Conciliation Officer is required to submit a report within 15 days of the commencement of conciliation proceedings. For granting any extension of time there is a duty casted upon the Conciliation Officer to extend the period upon agreement between the parties appearing before the Conciliation Officer. There have been cases where the Courts have taken the view that a serious dispute with regard to relationship of employer and employee could not also be gone into by the appropriate Government in exercise of its powers under Section [10](#) of the Act and such matter requiring adjudication should be referred to the Labour Court. With regard to the restricted scope of Section [10](#) of the Act, the consistent view of the Supreme Court has been that the Appropriate Government should exercise powers within the limited domain specified under the provisions of the Act and should not adjudicate matters which would otherwise fall within the domain of the Labour Court or Industrial Tribunal. Furthermore, the appropriate Government must state reasons for declining a reference, particularly where it declines reference, in furtherance to the demand raised by a workman. The material it considers should be germane to the dispute and not extraneous. A view has also been taken that a patently frivolous, perverse, vexatious, and a stale dispute, which does not remain to be an industrial

dispute, could validly be declined by the appropriate Government. In this regard, amongst others, reference can be appropriately made to the judgment of the Supreme Court in the case of Bombay Union of Journalists (Supra).

33. The above decision illustratively places the development of Industrial Law in regard to concepts aforementioned and clearly provides the precepts which could usefully be applied to different cases which may come up for determination before the Court. Analysis of the above decisions clearly show that the appropriate Government is vested with administrative power to make or decline a reference. Such power is to be exercised in line with the law enunciated by the Court and essentially must not transgress its jurisdiction and travel into the matters of final determination which would squarely fall within the jurisdiction of the Labour Court or Tribunal. The expression 'It may at any time' does take the jurisdiction of the appropriate Government to make a reference beyond the restrictions of any limitation in terms of the period but still unexplained prolonged delay could prove fatal to the case of the workman either in terms of denial of reference or denial of backwages for entire or part of the period in question. The appropriate Government does not exercise its powers under the provisions of the Act as a mere administrative formality or a post-office. Application of mind for valid and appropriate reasons is the pre-requisite to denial or making a reference in terms of these provisions. The reasonableness in terms of period is sufficiently adopted under the scheme of this Act. On the one hand there is no specific limitation stipulated for raising a demand or making a reference but the proceedings of the authorities immediately preceding the reference as indicated in Section [12](#) of the Act and post proceedings or determination of the dispute again within the specified time under Section [10\(2\)\(a\)](#) of the Act shows the legislative intent for adherence to the prescribed schedule of time and expeditious disposal of the industrial dispute. One of the irresistible conclusion of the above discussion is that the concept of reasonable time has great application to objective implementation of various provisions of this Act. The unreasonable and unexplained delay may weigh with the authorities as well as with the Courts while dealing with the

matters. Thus, it may not be quite correct to argue that Government would have no jurisdiction to decline reference of an industrial dispute, which has become stale and has extinguished because of unexplained prolonged delay. The time may not be of essence but certainly is a relevant factor to be taken into consideration by the appropriate Government at the appropriate stage.

34 The above enunciated principles and their objective appreciation in their correct perspective unambiguously demonstrate the guidelines for determining the issues which may arise before the Courts as well as the appropriate Government when it exercises its powers of reference under the provisions of Section [10\(1\)\(c\)](#) of the Act. In addition to the five principles enumerated by the Full Bench in the case of Radhey Shyam (Supra), I would also refer to the following principles as well :

“(a) The dispute is so belated or stale that direct consequence thereof is the extinguishment of the industrial dispute itself. Existence of the dispute being condition precedence to the reference, the power of the Government to decline a reference would not stand wiped out just because the provisions of the Section uses the expression 'at any time'.

(b) The alleged dispute is so stale that it will be so prejudicial to either party to dispute that it would be unfair unjust to make a reference. Furthermore, it may not be possible for the Labour Court/Tribunal to mould the relief because of unexplained prolonged delay. While exercising its administrative power the Government must strictly confine itself within the domain of forming an opinion without travelling into the merits of the case and determination thereof. It must not usurp the power of the Tribunal. ”

35 In the case of National Engineering Industries Ltd. v. State of Rajasthan and Ors., [MANU/SC/0755/1999](#) the

Supreme Court emphasised the scope of the powers and jurisdiction of the Industrial Tribunal vis-a-vis the power of the Government to make a reference. The Court held as under:

" The Industrial Tribunal is the creation of a statute and it gets jurisdiction on the basis of reference. It cannot go into the question on validity of the reference. The question before the High Court was one of jurisdiction which it failed to consider. A tripartite settlement has been arrived at among the Management, the Labour Union and the Staff Union. When such a settlement is arrived at it is a package deal. In such a deal some demands may be left out. It is not that demands, which are left out, should be specifically mentioned in the settlement. It is not the contention of the Workers' Union that the tripartite settlement is in any way mala fide. It has been contended by the Workers' Union that the settlement was not arrived at during the conciliation proceedings under Section [12](#) of the Act and as such was not binding on the members of the Workers' Union. This contention is without any basis as the recitals to the tripartite settlement clearly show that the settlement was arrived at during the conciliation proceedings."

36 Despite the fact that the provisions of the Industrial Disputes Act do not provide any limitation, it will always be appropriate for a workman to approach the concerned authorities for making a reference at the earliest opportunity. This would serve the dual purpose. Firstly, expeditious determination of a reference/case by the Competent Forum which is the object of the Act and, secondly, the employer or the concerned authority would not be able to take the plea of destruction/non-availability of record. Unexplained long delays as already noticed can be of some consequence particularly when the workman had taken no steps whatsoever to seek redress from the concerned authorities. Another Full Bench judgment of the Punjab & Haryana High Court in the case of Ram Chander Morya v. The State of Haryana and Ors., 1999(1) CLJ (C,Cr.& Rev.) 133 had also

dealt with this concept at greater details and held as under:

" 42. After taking into consideration the various provisions of law, stated above, and after taking into consideration the words "clearly belated" mentioned by the Supreme Court in Bombay Union of Journalists' case (supra), we would merely indicate that reasonable time in case of reference of an industrial dispute by an appropriate Government to the Labour Court or the Tribunal will be five years. In other words, if any industrial worker or union or any other person on behalf of the worker does not apply to the appropriate Government for reference of an industrial dispute under Section [10\(1\)](#) of the Act to the Labour Court or the Tribunal for a period of five years and tenders no explanation for the delay beyond five years, this delay beyond the period of five years shall be taken as clearly belated."

43. We leave a note of caution here that if a worker or the union pleads / furnishes even a slightest explanation for delay in submitting his / its request to the appropriate Government for reference of his/its dispute to a Labour Court or the Industrial Tribunal then the appropriate Government shall leave the determination of the question of belatedness to the Labour Court or the Industrial Tribunal. It will then be the province of the Labour Court or the Industrial Tribunal to decide the question of reasonable delay in filing the application after taking into consideration the relevant material placed before it. Now we come to the individual cases."

37. It is a social welfare legislation and, in view of the above enunciated principle of law essentially should receive an interpretation which would help in achieving the object of the statute that is protecting the workman against exploitation and prolonged litigation.

38. It will be appropriate to conclude that the dimensions of

the powers vested in the appropriate Government under Section [10\(1\)\(c\)](#) of the Act are wide which require proper application of mind in consonance with the above enunciated principles but in no way the appropriate Government could usurp or abdicate to itself the powers of determination which are exclusively vested in the Labour Court/Tribunal. Long delays by itself may not be sufficient to deny the reference requested for by the workman unless it is so seriously prejudicial to the other party as to permit the workman to take undue advantage of his own conduct or the dispute is so belated and stale that in the eyes of law it has extinguished or lost its substance.

39 In support of its contention that there existed no industrial dispute at the time of reference, the petitioner referred to the receipt dated 15th December 1998 executed in favour of M/s Sadanand Caterers allegedly by the workmen stating that they had received a sum of Rs.2910/- being retrenchment compensation and notice pay. Firstly, this receipt does not say that it is in full and final settlement of all claims of the workmen. Secondly, the order passed by the appropriate authority on the complaints of the workmen, it was directed that the compensation be returned by the workmen to the employer and it had also accepted the plea that the contractor's agreement with the petitioner company deserves to be looked into. It is interesting to note that the Conciliation Officer in the proceedings recorded by him on 14th December 2005 had noticed that the management had taken up a plea that the workmen were the employees of the contractor and they cannot claim reinstatement in the company. He specifically noted that "the workmen accordingly have impleaded the contractor as a party to this proceedings and due notice was sent to the contractor regarding this proceedings but nobody on behalf of the contractor appeared before the undersigned. The demand of the workmen for reinstatement with continuity of service and all back wages was admitted in conciliation on 10.8.2005 and the demand notices were duly served on the concerned parties. Since the management has denied the employee-employer relationship between them and the workmen chances of amicably settling the dispute were remote and therefore the conciliation proceedings were concluded in

failure and failure was recorded on 1.9.2005”.

40. The above pleadings clearly show that there existed a substantial dispute between the parties which prima facie satisfying the requirements of section 10 read with section 2 (k) of the Act and the said dispute was incapable of being finally decided, without proper legal adjudication process.

41. Section 2 (k) defines an 'industrial dispute' which means any dispute or difference between employers and employees, between an employer and a workman or a dispute which is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person. This reflects the scope of this definition to be so wide and to give an interpretation of a restricted nature to such a definition would be contrary to the legislative intent. The language 'any matter relating to the conditions of service of any person' also suggests that a person employed in an industrial organisation at any point of time should be in a position to raise a dispute within the meaning of the Act. It could also be noticed that the purpose of such a labour welfare legislation is that the 'workman', as a class, should not be exposed to the prolonged and legal complexities of the normal civil litigations. They have been, thus, placed under the specialised class of persons for whose welfare the legislation has been enacted, would be assumably applied to their advantage and welfare. The 'dispute' has to be one which is covered within the definition of Section 2 (k), but what would be the nature of the dispute is not the determinative factor. The matters which will fall within the domain of the appropriate government would have a limited scope while the jurisdiction of the Labour Court to determine principal and all ancillary issues is sufficiently spelled out in those provisions. Even in common parlance, the expression 'dispute' connotes a controversy, a quarrel, even a disagreement between the management and the employee or any dispute which is capable of giving rise to an industrial action within the scope of Section 2 (k) of the Act. It can hardly be contended that the dispute involved in the present petition would not be covered under this definition. The parties have been litigating before different forums either

in relation to determination, closure, entitlement of wages and/or even reinstatement. All these matters were seriously contested by the parties to the lis including the petitioner-company. The Supreme Court in the case of Gujarat Electricity Board, Thermal Power Station vs. Hind Mazdoor Sabha AIR 1995 Supreme Court 1893 held that if the contract is a sham one and not genuine, the workman of the so called contractor can raise an industrial dispute for declaring that they were always the employees of the principal employer and further for claiming appropriate relief in terms of their service conditions. Such a dispute would be an industrial dispute and would invariably be raised by the direct employees of the principal employer.

42 The Supreme Court in the case of D.N. Banerji vs. P.R. Mukherjee and others AIR 1952 Supreme Court 58 (Vol. 40, C.N. 16) while explaining the term 'industrial dispute' held as under:-

"....The wider import is attracted even more clearly when we look at the latter part of the definition which refer to "calling, service, employment, or industrial occupation of avocation of workmen." "Undertaking" in the first part of the definition and "industrial occupation or avocation" in the second part obviously means much more than what is ordinarily understood by trade or business. The definition was apparently intended to include within its scope what might not strictly be called a trade or business venture."

43. A similar view had also been taken in the case of The Secretary, Madras Gymkhana Club Employees' Union vs. The Management of the Gymkhana Club AIR 1968 Supreme Court 554 (V 55 C 118)

44. Further in the case of Shambu Nath Goyal vs. Bank of Baroda AIR 1978 Supreme Court 1088 the Supreme Court held as under:-

“The Act nowhere contemplates that the Dispute would come into existence in any particular, specific or prescribed manner. For coming into existence of an industrial dispute a written demand is not a sine qua non, unless of course in the case of public utility service. The key words in the definition of industrial dispute in S.2 (k) are 'dispute or difference'. The term 'industrial dispute' connotes a real and substantial difference having some element or persistency and continuity till resolved and likely if not adjusted to endanger the industrial peace of the undertaking or the community. When parties are at variance and the dispute or difference is connected with the employment, or non-employment or with the conditions of labour there comes into existence an industrial dispute. To read into definition the requirement of written demand for bringing into existence an industrial dispute would tantamount to re-writing the section.

The power conferred by S.10(1) on the Government to refer the dispute can be exercised not only where an industrial dispute exists but when it is also apprehended. From the material placed before the Government, Government reaches an administrative decision whether there exists an industrial dispute or an industrial dispute is apprehended and in either event it can exercise its power under S.10 (1). The Court cannot canvass the order of reference closely to see if there was any material before the Government to support its conclusion, as if it was a judicial or quasi judicial determination. No doubt it will be open to a party seeking to impugn the resulting award to show that what was referred by the Government was not an industrial dispute within the meaning of the Act, and that, therefore, the Tribunal had no jurisdiction to make the award.”

The above enunciated principles of law, clearly show that the exercise of jurisdiction by the appropriate government within the ambit and scope of section 10 is not a mechanical process but it has to be done by due application of mind in relation to the facts and circumstances of each case, without determining the issues raised on merits. It is necessary that an industrial dispute, as explained above, must exist and ought to have been persisted at least till the date of reference. If a dispute itself has become non-existent or has lost its essential ingredients, like it is absolutely stale or that the dispute itself has ceased to exist, the appropriate government can exercise its discretion while deciding the question in regard to making of a reference. The Legislature in its wisdom has placed certain responsibilities upon the appropriate government to apply its mind while examining the application for reference to the industrial tribunal or court. This cannot be rendered ineffective or inconsequential by holding that it is a mechanical process or that the authorities have to act like a post office i.e. just receive the papers and make a reference without proper application of mind. A fine line of distinction between proper exercise of jurisdiction or otherwise is that it must apply its mind to the subject dispute but not to go into the realm of determination of the dispute on merits, which squarely falls in the domain of the industrial court or tribunal, as the case may be. In the present case two reasons have been given in the impugned order by the appropriate government; one that in respect of the dispute sought to be raised by the union, a relief can adequately be claimed and implemented without intervention of the government under the provisions of section 33 C(2) and secondly that the said provision has been specifically enacted by the Legislature to provide expeditious reliefs to the workmen without intervention of any other authority. Straightway filing of an application under section 33 C(2) of the Act, which postulates that any workman who is entitled to receive from the employer any money or benefit, which is capable of being computed in terms of money and if any question arises as to the amount of money due or as to the amount at which such amount should be computed, then the question may, subject to the rules, be decided by the labour court. The provision further contemplates that this question

should be decided within a period of 3 months, unless for the reasons to be recorded in writing, the time is extended. The concept of expeditious disposal under the provisions of section 33 C(2) is also indicative that the provisions of section 33 C(1), where a workman is claiming any benefit on the basis of an award or settlement, has to raise a dispute within a period of one year, when the money became due, by filing an application before the labour court. However, the same can be extended in terms of proviso (2) to section 33 C (1). This expeditious process has been contemplated for the benefit of the workmen and thus is a special remedy available to the workmen. In the present case there is no dispute or even a claim, except payment of money payable and due to the workmen in furtherance to the transfer orders. These are claims which are capable of being computed in terms of money. The reasoning given by the appropriate government that the proper remedy for the workmen was to invoke the provisions of section 33 C(2) cannot be faulted with as the said approach is entirely in consonance with the scheme of the Act. When the provisions of the Industrial Disputes Act contemplates a different forum for different reliefs, there can hardly be any scope for intermingling such relief and bring one remedy under the other by interpretative process. This would tantamount to defeating the object of the Act, which obviously is not permissible".

6. Basically two pleas have been raised on behalf of respondent No.2, firstly that the notice of demand suffered from the element of delay and secondly that there was no existence of dispute which was capable of being referred by the Appropriate Government. As far as the question of delay is concerned, the services of the petitioners alleged to have been terminated from 2001 to 2003 and thereafter they had raised a demand on 29th September, 2003. In their letters they had

taken various grounds pleading that they had not resigned voluntarily and their services, in fact, were illegally terminated whereafter they pursued their remedy before the Conciliation Officer and thereafter the impugned order dated 6th January, 2004 was passed. There does not appear to be an inordinate delay in the present case. However, even if it is assumed that there is some delay, that by itself would not be a ground for declining reference to the Appropriate Court if it was maintainable otherwise. At best the delay can be a relevant consideration while awarding the back wages which again will squarely fall within the domain and jurisdiction of the Labour Court. Thus, this objection has no merit. We have already noticed that in the notice of demand dated 29th September, 2003 detailed facts had been stated by the petitioners including that they had not resigned voluntarily and they were intimidated and even coerced to sign these letters. They have taken up a plea that the action of the Bank was mala fide, was a result of threats, and even to the extent that their provident fund and gratuity, etc. were misappropriated by the Bank. Paragraph 4 of the said demand notice reads as under:-

“4. All the Applicants herein were intimidated into 'resigning'. However, the Applicants took a stand that she would not 'resign' as it was not a voluntary act. The Applicants crave leave to refer to and rely upon the

documentary and other evidence in support of their contention, when produced, at the appropriate time. The Applicants were threatened with dire consequences if they did not resign. The Applicants shall produce communication in writing and exchange of correspondence with the Bank management, apart from other evidence, which incontrovertibly and palpably points out the fact that the cessation of employment of the Applicant was not voluntary on the part of the Applicants and that their services were in effect illegally terminated. It is amply evident that the Bank resorted to illegal and unethical means to 'extract' a 'resignation' from the Applicants. Coercion, threat, inducement and undue influence exerted by the Bank management render any such purported resignation void in the eyes of law and the Applicants are entitled to seek an order of reinstatement, with full back wages, as per the rights vested in them under the law. In fact, the acts of the Bank management tantamount to extortion within the meaning of the term 'extortion' under Section 384 of the Indian Penal Code. However, the Applicants were put to such fear and were intimidated to such an extent that they did not lodge a police complaint at the time of the cause of action. The Applicants had also been threatened that if they made any outcry or clamour their pension too would be denied to them."

This demand notice was signed by 11 workmen and this was the very basis for passing the order dated 6th January, 2004. The said order refers to the letter of the workmen dated 29th September, 2003. We may notice that vide letter dated 27th October, 2003, the parties were called upon to produce all the relevant records, documents and oral and documentary evidence before the said authority to bring about an amicable settlement. As the amicable settlement between the parties

was not possible, the authority passed the impugned order. Definite pleas had been raised on behalf of the workmen including the plea of coercion and the act of resignation not being voluntary. The controversies raised in the letter dated 29th September, 2003, and even prior thereto, could possibly be properly and fairly determined only when the parties were given a chance to lead evidence. Once the matter requires adjudication, it would fall beyond the jurisdiction of the appropriate authority. The opinion of the appropriate authority under Section 10 of the Act cannot travel into the field of determination on merits of the dispute. The dispute related to whether the resignation was voluntary or was a result of coercion or threats as spelled out by the workmen in their demand notice. Firstly, the authorities have not discussed any of the contentions raised by the workmen but at the same time it has proceeded to reject the reference of the industrial dispute which apparently existed between the parties. Respondent No.1, in the facts and circumstances of the case, has certainly exceeded its power in determining the issues raised by the workmen. It would have been more appropriate if the authorities had made a reference on these disputed questions of factual matrix which are required to be proved by cogent and proper evidence.

7. For the reasons aforestated, we allow this writ petition and quash and set aside the order dated 6th January, 2004, while leaving the parties to bear their own costs.

CHIEF JUSTICE

DR. D.Y. CHANDRACHUD, J.

